

**STATE OF MICHIGAN**  
**DEPARTMENT OF LABOR & ECONOMIC GROWTH**  
**OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of Financial and Insurance Regulation**

**In the matter of**

**XXXXX**

**Petitioner**

**v**

**File No. 88678-001**

**World Insurance Company**  
**Respondent**

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**Issued and entered**  
**This 12<sup>th</sup> day of May 2008**  
**by Ken Ross**  
**Commissioner**

**ORDER**

**I**  
**PROCEDURAL BACKGROUND**

On March 21, 2008, XXXXX (Petitioner) filed a request for external review with the Commissioner of Financial and Insurance Regulation under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.* The Commissioner reviewed the request and accepted it on March 31, 2008.

The Commissioner notified World Insurance Company of the external review and requested the information used in making its adverse determination. The information was received on March 25, 2008.

The case presented a medical question so the Commissioner assigned it to an independent review organization, which provided its analysis to the Commissioner on April 14, 2008.

**II**  
**FACTUAL BACKGROUND**

The Petitioner had surgery on his nose on April 18, 2007. World Insurance denied

coverage, saying the procedure, a septorhinoplasty, was cosmetic in nature and therefore not a covered expense under its certificate of coverage. A final adverse determination was issued January 25, 2008.

### **III ISSUE**

Was World Insurance Company correct in denying coverage for the Petitioner's surgery?

### **IV ANALYSIS**

#### **Petitioner's Argument**

The Petitioner argues that World Insurance should provide coverage for his surgery because it was medically necessary to correct a nasal obstruction and improve his breathing. The procedure was, therefore, not cosmetic.

#### **Respondent's Argument**

World Insurance asserts that its denial of coverage was correct. The Petitioner's certificate of coverage excludes coverage for medical procedures which are cosmetic in nature. The certificate's "General Exclusions and Limitations" provides:

This certificate does not cover:

\* \* \*

35. Cosmetic or reconstructive procedures, except cosmetic or reconstructive required to restore a part of the body that has been altered as a result of the following events or conditions:

- a. Injury; or
- b. Surgery; or
- c. Disease that is first diagnosed while the covered person was insured under this certificate.

Such events or conditions must occur while the covered person is insured under this certificate; and for which benefits were paid in accordance with the provisions of this certificate;

World Insurance says that the CPT code for Petitioner's surgery is 30420, which is the code number for a cosmetic procedure.

#### **Commissioner's Review**

The Commissioner has carefully reviewed the arguments of both parties as well as the

documentation and certificate of insurance. In evaluating adverse determinations that involve issues of medical necessity or clinical review criteria, the Commissioner requests an analysis and recommendation from an independent review organization (IRO). The IRO expert reviewing this case is certified by the American Board of Otolaryngology, the American Board of Facial Plastic and Reconstructive Surgery, and the National Board of Medical Examiners. The reviewer is a Fellow of the American Academy of Otolaryngology-Head and Neck Surgery, the American Academy of Facial Plastic and Reconstructive Surgery, the American Academy of Otolaryngic Allergy and the American College of surgeons.

After reviewing the medical records submitted by the parties, the IRO reviewer stated that surgery of this type is medically necessary when obstruction is greater than 80% while the Medical notes from one of Petitioner's physicians state, "septum bilaterally deformed obstructing 50-60%". The IRO found that "the remaining portion of the procedure, that is the tip surgery and osteotomy, was performed for what appeared to have been cosmetic reasons and as such are not medically necessary." The reviewer concluded that Petitioner's septorhinoplasty was cosmetic in nature and for that reason should not be a covered benefit.

The Commissioner is not required in all instances to accept the IRO's recommendation. However, the IRO recommendation is afforded deference by the Commissioner; in a decision to uphold or reverse an adverse determination the Commissioner must cite "the principal reason or reasons why the commissioner did not follow the assigned independent review organization's recommendation." MCL 550.1911(16)(b) The IRO's analysis is based on extensive experience, expertise, and professional judgment. The Commissioner can discern no reason why that judgment should be rejected in the present case. Therefore, the Commissioner accepts the findings of the IRO that that Petitioner's nasal septorhinoplasty surgery was cosmetic in nature and, for that reason, is not a covered benefit.

**V  
ORDER**

The Commissioner upholds World Insurance Company's adverse determination of January 25, 2008. The company is not required to provide coverage for the Petitioner's surgery.

This is a final decision of an administrative agency. Under MCL 550.1915, any person aggrieved by this Order may seek judicial review no later than sixty days from the date of this Order in the Circuit Court for the county where the covered person resides or in the Circuit Court of Ingham County. A copy of the petition for judicial review should be sent to the Commissioner of the Office of Financial and Insurance Regulation, Health Plans Division, Post Office Box 30220, Lansing, MI 48909-7720.

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Ken Ross  
Commissioner